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SUBJECT: ARGENTINE AGRICULTURAL SECTOR DECLARES SIX-DAY STRIKE

REF: Buenos Aires 1288

¶1. (U) Summary: In the wake of the agricultural sector's Mesa de Enlace coordinating committee ("Liaison Board") failure to reach agreement with the GOA on key issues during a meeting with Secretary of Agriculture Cheppi last week, farm leaders announced a six-day strike that will begin this Friday, October 3, and end on Wednesday, October 8. Farmers will boycott sales of grains, oilseeds and cattle destined for local industry and export, and will protest on the roads. Although they say they will not block all traffic, they are expected to disrupt the movement of trucks transporting these commodities. GOA officials have expressed surprise and anger over the decision due to the announcement on Monday by Secretary Cheppi that the GOA would introduce a package of reforms for the sector shortly. End Summary

ARGENTINA'S AGRICULTURAL SECTOR ON STRIKE... AGAIN

¶2. (U) On Tuesday, September 30, the leadership of the main Argentine farm organizations represented in agricultural sector's Mesa de Enlace coordinating committee ("Liaison Board") announced a new six-day strike due to the GOA's lack of action on policy reforms that favor the agricultural sector. The Liaison Board has met with Secretary of Agriculture Carlos Cheppi on three occasions since the defeat of variable export taxes by Congress in July. The third meeting with Cheppi was held last Wednesday, September 12, after which agricultural leaders reiterated their growing frustration at "meager results," and what they characterized as GOA stall tactics to making reforms. Farm leader Alfredo De Angeli immediately called for a sector-wide strike and that position was ultimately ratified by the entire Liaison Board.

¶3. (U) The strike will commence on Friday, October 3 at 12:00 am, and will last until 11:59 pm Wednesday, October 8. In addition to rallies and protests throughout the country during the six days, the Liaison Board has called for a massive rally on the last day in San Pedro, Buenos Aires province. Local contacts also report that there will be a march at the Congress with other social organizations representing retirees and students, where they will support farm sector reforms, and argue for repeal of "superpowers" legislation which gives the Cabinet Chief power to re-allocate budget funding and utilize budget surpluses with minimal congressional oversight.

¶4. (U) The strike will consist of boycotting sales of grains and oilseeds destined for industrial processing and export, as well as cattle (not including livestock in zones affected by the ongoing drought). Although the Liaison Board has stated that roads will not be completely blocked, farmers have indicated that they will be protesting on roadsides and impeding movement of trucks carrying those agricultural products. Movement of perishable products, including fruits, vegetables and dairy products, will not be subject

to the strike.

¶15. (U) Farmers have been seeking reforms to agricultural policies to create incentives for expanding production of beef cattle and dairy, as well as elimination of export restrictions and quotas on beef, grains and dairy. In addition, they seek lower export taxes for smaller producers and government recognition/support of the emergency situation farmers face due to the current drought situation.

OFFICIALS CRITICIZE DECISION

¶16. (U) Despite widespread press reports over the previous week indicating the agricultural leaders' strong desire to renew their strike, Secretary Cheppi said that he was "surprised" by the Liaison Board's decision. On Monday, Cheppi announced that he and Cabinet Chief Sergio Massa had worked throughout the weekend on a package of reforms that would be announced to the agricultural sector this week. Following the Liaison Board's decision to go on strike, the GOA has been silent on those reforms and it appears unlikely that any announcement will be made.

¶17. (U) Angered by the decision, the most critical reaction was taken by head of Argentina's Agricultural Commerce Control Office (ONCCA), Ricardo Echegaray. He strongly criticized the Liaison Board and said that "most of the members of the Liaison Board live from what the farm sector produces, but they don't work for the farm sector." ONCCA has been at the center of much of the contention in recent months due to its increased power to control agricultural markets and exports (Ref).

Comment

¶18. (SBU) Although the recently announced strike will not likely create major disruptions to agricultural markets initially (due to its relatively short 6-day duration), it will likely have political ramifications for both the agricultural sector and the GOA. Surveys reported in the press indicate that approximately 48 percent of respondents support the Liaison Board's decision, with 52 percent opposing the decision. The strike is a reminder for most of the Argentine public that problems of the rural sector were not/not resolved with Congressional defeat of the variable export tax. It is clear that farm leaders have run out of patience with the GOA's response (or lack thereof) to their sector's concerns, and they want to bring their issues back into the public eye and force change. This time, the strike leaders appear to be betting that a suspension of agricultural sales will prompt some concessions in their favor, but it may prove difficult to keep farmers at the grassroots level from blocking the roads, which was the tactic that most dramatically caught the public's attention in the last round. End Comment.

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